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Report of the Joint Inspection Unit on the delegation of authority for management of human and financial resources in the United Nations Secretariat

Note by the Secretary-General

The Secretary-General has the honour to transmit to the members of the General Assembly the report of the Joint Inspection Unit entitled "Delegation of authority for management of human and financial resources in the United Nations Secretariat" (JIU/REP/2000/6).

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DELEGATION OF AUTHORITY FOR THE MANAGEMENT OF HUMAN AND FINANCIAL RESOURCES IN THE UNITED NATIONS SECRETARIAT

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ACRONYMS

ACABQ	Advisory Committee on Administrative and Budgetary Questions
ACC	Administrative Committee on Coordination
CCAQ	Consultative Committee on Administrative Questions
CCISUA	Coordinating Committee for International Staff Unions and Associations of the United Nations system
DESA	Department of Economic and Social Affairs
DM	Department of Management
ECA	Economic Commission for Africa
ECLAC	Economic Commission for Latin America and the Caribbean
FAO	Food and Agriculture Organization of the United Nations
IMIS	Integrated Management Information System (United Nations)
OECD	Organisation for Economic Co-operation and Development
OHRM	Office of Human Resources Management (United Nations)
OIOS	Office of Internal Oversight Services (United Nations)
OLA	Office of Legal Affairs (United Nations)
OPPBA	Office of Programme Planning, Budget and Accounts
PAS	Performance Appraisal System
SGB	Secretary-General's Bulletin
ST/AI	Secretariat Administrative Instructions
UN	United Nations
UNCC	United Nations Compensation Commission
UNCCD	United Nations Secretariat of the Convention to Combat Desertification
UNCTAD	United Nations Conference on Trade and Development
UNDCP	United Nations Drug Control Programme
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNFPA	United Nations Population Fund
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNJSPF	United Nations Joint Staff Pension Fund
UNOG	United Nations Office at Geneva
UNON	United Nations Office at Nairobi
UNOPS	United Nations Office for Project Services
UNOV	United Nations Office at Vienna
UNSCOM	United Nations Special Commission
WFP	World Food Programme

EXECUTIVE SUMMARY: OBJECTIVE, CONCLUSIONS AND RECOMMENDATIONS

Objective:	**To assess progress in the implementation of delegation of authority for the management of human and financial resources in the United Nations Secretariat and to develop criteria to be applied in the future, in particular with regard to the establishment of a framework of accountability.**

CONCLUSIONS

A. Delegation of authority is not a new reality in the United Nations. It has always been an integral part of the management and administration of some of the United Nations programmes and funds, and some measure of it has always existed in the Secretariat itself. However, a fast evolving environment is now causing the latter to review the very way it operates and to rethink its whole approach to management. The Secretary-General's proposal for additional delegation of authority to managers is at the core of his vision for reform. However, despite the mandate received by the Secretary-General from the General Assembly for administrative change and reform, the steps taken in the Secretariat over the last few years to delegate authority for the management of human and financial resources do not appear very significant, notwithstanding a number of noteworthy efforts to clarify administrative rules and to better prepare managers for the new tasks to be entrusted to them.

B. Overall, the Secretariat appeared to be engaging in the implementation of delegation of authority on an ad hoc basis and without a well-thought-out comprehensive strategy. In particular, measures to decentralize administrative tasks have been presented as delegation while, in fact, managers have in most cases not been given additional decision-making powers. There exists a level of dissatisfaction among substantive officials that what has been described as "delegation of authority" has amounted merely to a "dumping" of clerical tasks, without a concomitant shift of resources. At the same time, managers still lack effective guidance and support in managing the human and financial resources entrusted to them. As a result, a good deal of confusion, suspicion and discontent prevails among Member States, managers and other staff.

C. The Inspectors were concerned to note a high level of laxity and lack of clarity and transparency in respect of the formulation of administrative issuances and in the implementation of policies. It is imperative, in order to create a climate of administrative discipline and order, that basic documents, which in fact guide the functioning of the Secretariat, should be clear, unambiguous and current.

D. The functioning of delegation of authority and of a transparent and effective system of accountability involves more than revising regulations, rules and procedures. It requires the establishment within the Secretariat of a culture that recognizes that responsibility, authority and the obligation and readiness to answer for one's actions are interactive and inextricably linked. There is a need to change entrenched bureaucratic habits through leadership and training.

E. The authority delegated must be clearly defined, as in a contract, and may require a special letter or document - a delegation order - assigning formal authority and responsibilities to specific staff members.

F. The successful implementation of delegation of authority will depend on the efficiency of the support provided to individual managers either by administrative staff assigned under their supervision or by common services,

and the clear definition of the respective responsibilities and authority of the former and the latter. Those providing administrative services should not confuse their support role with that of decision-making, which is a function that should be exercised by the responsible substantive officials.

G. The central administrative units of the Secretariat (Department of Management, Office of Programme Planning, Budget and Accounts, Office of Human Resources Management) are mandated to retain overall responsibility for the policies which the General Assembly prescribes related to the management of financial and human resources. The exercise of this "central control" function requires the establishment of adequate "monitoring" capacities through which the central units may keep track of the implementation of policies and detect possible deficiencies, with a view to providing necessary guidance in a timely manner.

H. A system of delegation of authority should not exist without the establishment of a credible and comprehensive system of accountability and responsibility.*

I. The Inspectors noted the expression by the staff representatives of "dismay and concern over the inadequacy of staff-management consultations" and their request that further delegation of authority to programme managers be suspended until a transparent and verifiable system of accountability had been established.

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* At the time of completion of the present report, the Inspectors were provided with the report which the Secretary-General was presenting to the fifty-fifth session of the General Assembly (A/55/270) announcing concrete actions in this regard.

RECOMMENDATIONS

Recommendation 1: The Secretary-General should present to the General Assembly a comprehensive overall plan of action for delegation of authority based on a systematically developed concept rather than on an ad hoc approach. Such a concept should, as a first step, define which areas of responsibility require that authority be retained centrally (such as major policy orientation, monitoring and oversight) and those where authority can be delegated in the interest of a more efficient management system. As detailed in chapter V.A, such a plan of action should, inter alia, contain the elements spelled out in recommendations 2-11 below:

Clarity in the formulation of policies and procedures

Recommendation 2: The Secretary-General should take steps to ensure strict compliance with the procedures for the promulgation of administrative issuances (ST/SGB/1997/1 and 2) so as to ensure not only clarity in the formulation of procedures and instructions, but also avoidance of contradictions between administrative issuances. Issues of a binding administrative nature should be promulgated exclusively through the prescribed means, namely, Secretary-General's Bulletins (SGB) or Secretariat Administrative Instructions (ST/AI). Modifications to or cancellation of administrative issuances should only be promulgated by another administrative issuance of the same or higher rank, as amendments or revisions of the original document (paras. 55-61).

Updating delegation regarding administration of Staff Regulations and Rules

Recommendation 3: The Secretary-General should review the provisions of Secretary-General's Bulletin ST/SGB/151, of 7 January 1976, related to the administration of the Staff Regulations and Rules, updating it as required to reflect the current situation. Pursuant thereto, the Secretariat should promulgate one comprehensive Administrative Instruction on the delegation of authority for the administration of the Staff Regulations and Rules, so as to reflect the current situation in clear terms (paras. 57-61).

Promulgation of revised Financial Regulations and Rules

Recommendation 4: The Secretary-General should be requested as a matter of urgency to promulgate a revised version of the Financial Regulations and Rules so as to incorporate pertinent revisions to the Regulations approved by the General Assembly and to update the Rules as may be required. In this context, the Secretary-General should review other issuances that might contain provisions which are contrary to the Financial Rules, so as to ensure overall consistency. For the future, should it be required to amend a particular rule, it should be done by means of an amendment or revision of the document containing the basic text of the Regulations and Rules (paras. 62-68).

Establishing a culture of clarity, transparency and communication

Recommendation 5: The Secretary-General should be encouraged to take additional steps towards the establishment throughout the Secretariat of a "culture" of clarity, transparency and communication, taking into account the considerations described in chapter V.B of this report (paras. 69-70).

Promulgation of individual delegation orders

Recommendation 6: In addition to the general delegation that may be included in the Staff Rules, the Financial Rules or the Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation, or in Secretary-General's Bulletins related to the organization of the Secretariat, the Secretary-General should institute the requirements that the delegation of authority to individuals should be clearly defined in individual delegation orders (contracts, letters or documents) which, as a minimum, should include the following:

(*a*) Citation of the original source of authority;

(*b*) Description of the authority to be delegated with clear and consistent objectives;

(*c*) Any limitation imposed, including any limitation on sub-delegation;

(*d*) Citation of any previous delegations which are to be revised or rescinded, if appropriate;

(*e*) The date on which the delegation is to become effective and the duration of the delegation;

(*f*) The details of the reporting duties which go together with the delegation, so as to permit proper monitoring (volume, frequency of reporting and other details, particularly in the relation between field offices and Headquarters) (paras. 75-77).

Empowerment of managers

Recommendation 7: In addition to the general training available to the Secretariat as a whole, managers to whom authority is to be delegated should be provided with specialized training and briefings, and with adequate support services whether under their direct supervision or through "common" services, in locations where more than one substantive unit exists. Furthermore, the Secretary-General should direct the central administrative services, i.e. OHRM and OPPBA, to guarantee to managers, upon their request, the availability of additional guidance as to the correct implementation and interpretation of financial, staff and programme planning regulations, rules and administrative instructions, so as to reinforce managerial competencies and accountability (paras. 78-79).

Access to information

Recommendation 8: The Secretary-General should undertake all efforts to optimize the functioning of Integrated Management Information System (IMIS) and the Intranet both at Headquarters and in the field, so as to ensure constant and immediate access by managers to relevant information for the proper implementation of delegated authority (para. 81).

Monitoring

Recommendation 9: The Secretary-General should ensure that the central administrative units retain an ongoing monitoring capacity through which they may gauge progress and detect possible deficiencies in the exercise by managers of delegated authority. To this end, it is essential

to develop adequate information technologies and systems as well as cooperation with pertinent oversight mechanisms (paras. 82-84).

Measuring of performance, and establishing of a system of accountability

Recommendation 10: The Secretary-General's efforts to develop a comprehensive system of accountability - without which further delegation of authority in the financial and human resources areas cannot proceed - should be based on the following principles:

- The provision to managers of all the necessary support, information and guidance for the functions which they are to perform, including those relevant to their relations with subordinates and for the resolution of possible disagreements;
- The existence of adequate mechanisms for the evaluation of the performance of officials to whom authority is delegated and the strengthening of enforcement mechanisms to deal with cases of failure;
- Performance indicators should be accompanied by measures to ensure that unsatisfactory achievements and non-compliance with work programmes or the Organization's policies, regulations and rules are taken into account in evaluating managers, shaping their careers and deciding on the level of authority that can be delegated to them (paras. 85-91).

Consultations with staff representatives

Recommendation 11: The Secretary-General should ensure that, to the greatest extent possible, the staff's views and suggestions are considered, and that full and meaningful consultations with staff representatives are undertaken in the context of the improved system of communication within the Secretariat (para. 92).

I. INTRODUCTION

1. Recent years have witnessed a marked trend in public administrations towards the creation of a more trusting and less restrictive management style through greater delegation of authority to line managers at headquarters and in the field. The primary objective is to foster a more efficient use of resources and to facilitate the emergence of more agile and responsive organizations. Many organizations of the United Nations system have attempted, to varying degrees, to devise and implement measures to this effect while retaining the necessary level of central coordination and control and strengthening their monitoring of individual and programmatic performances. Reaching this balance has proved particularly difficult in entities long characterized by centralized command.

2. The Joint Inspection Unit included the report on delegation of authority in its work programme in view of the Secretary-General's repeated declarations that delegation of authority would play a major role in the reform of the United Nations. Furthermore, the Unit took into consideration the fact that Member States have also expressed their heightened interest in the subject through the resolutions passed in recent years by the General Assembly and through discussions held in other bodies such as the Committee for Programme and Coordination (the Unit has also been requested by the United Nations Industrial Development Organization (UNIDO) to undertake a similar study with regard to that organization).

3. The report examines the efforts undertaken by the Secretariat of the United Nations in the last three years to delegate authority to managers, placing these efforts in a wider historical perspective. It then carries out a preliminary assessment of their effectiveness and coherence. In this context, some examples of good practices in various entities of the system, which have come to the attention of the Inspectors, are highlighted in the report. Finally, the report draws from this analysis a number of lessons, which should be taken into account in future cases of delegation of authority. It is intended to provide Member States and Secretariat officials alike with a useful tool to reflect on progress achieved in this important managerial field and to plan further reform of the Organization.

4. Prior to the finalization of this report, the Inspectors were provided with advance versions of the Secretary-General´s reports to be submitted to the General Assembly at its fifty-fifth session, on "Human resources management reform" (A/55/253) and on "Accountability and responsibility" (A/55/270). The Inspectors observed that a large measure of coincidence existed between the recommendations contained in the present report and the measures announced in the cited reports, although all aspects of them were not yet fully in place. The Inspectors trust that the accountability mechanisms described in the Secretary-General´s report will be duly implemented and also that the observations and recommendations contained in this report will be taken into consideration.

5. In the context of this report, the Inspectors have been cautious to differentiate between the concepts of **delegation of authority** and **decentralization.** In their view, the first means the delegation of decision-making powers while the latter is merely the distribution of administrative responsibilities among the units of the Secretariat.

6. To prepare this report, the Inspectors interviewed numerous officials in the United Nations Secretariat as well as in a number of funds and programmes, and reviewed relevant documents issued by legislative organs and the Secretariat. They wish to extend their appreciation to all those who assisted them in this exercise.

II. DELEGATION OF AUTHORITY: A HISTORICAL PERSPECTIVE

7. While the question of increased delegation of authority within the United Nations has attracted significant attention in recent years and generated intensive debate, it should be stressed at the outset that delegation of authority is neither an entirely innovative concept nor a new reality. It has always reflected the necessity, in a very large organization, to transfer part of the decision-making burden onto managers and to avoid an administrative paralysis through the concentration of authority in the hands of the chief executive officer or at a single geographical location.

8. In fact, the very process of delegation at the United Nations begins with the Charter, through which Member States have delegated authority to the Secretary-General as the Chief Administrative Officer of the Organization (Article 97). This authority is tempered by the Charter provision in Article 101 that the staff of the Secretariat is to be appointed by the Secretary-General under regulations established by the General Assembly, and by the authority also granted to the latter in Articles 10 and 17 related to budgetary and other matters.

9. In general terms, **administrative** authority, i.e. authority for the management of human and financial resources, within the Secretariat is delegated by the Secretary-General, in the form of Secretary General's Bulletins to the Under-Secretary-General for Management, to the Assistant Secretaries-General for Programme Planning, Budget and Accounts (the Controller), for Human Resources Management and for Central Support Services. These officials may, in turn, delegate some of their authority to others within the Secretariat. **Substantive** authority, that is, authority for the implementation of the substantive activities of the Secretariat, is also defined in the form of Secretary-General's Bulletins, which describe both the organization and structure of the Secretariat, as well as the substantive activities for which each organizational unit is responsible.

10. A certain measure of delegation of administrative authority to individuals or programmes has always existed in the United Nations Secretariat. In particular, delegation to "clone operations", i.e. extension of authority to administrative entities away from Headquarters, but under the direct authority of the pertinent Department of Management office at Headquarters, has been put in place over the past decades and progressively refined and enlarged. Thus, the United Nations Office at Geneva (UNOG), the five regional commissions, the United Nations Office at Vienna (UNOV), and more recently the United Nations Office at Nairobi (UNON) have been granted various degrees of administrative authority in respect of both financial (including procurement) and human resources matters. This has been the case also with peace-keeping operations and special missions, as well as with technical cooperation projects for which delegation to varying degrees of administrative authority has been given to "executing agencies" such as the Department of Economic and Social Affairs (DESA), the United Nations Conference on Trade and Development (UNCTAD), the regional commissions, the Office of the High Commissioner for Human Rights and the United Nations Drug Control Programme (UNDCP) for the management of their human and financial resources.

11. In addition to the limited delegation of authority which existed in the early years of the Organization, particularly to offices and/or missions away from Headquarters, the Secretary-General reported to the General Assembly in 1974 (A/C.5/1601), that he had endorsed a recommendation of the Administrative Management Service that there should be greater delegation of authority and responsibility to departments and offices at Headquarters and to other established offices in selected areas of personnel management in order to achieve a greater decentralization of responsibilities for personnel management.

12. At its 2324th meeting, on 18 December 1974, the General Assembly, on the recommendation of the Fifth Committee, authorized the Secretary-General to proceed with his proposal, "subject to the comments of the

ACABQ, which concurred with the Secretary-General's approach on the understanding that it would not weaken overall central control".[1] The Secretary-General accordingly, promulgated, in bulletin ST/SGB/151, of 7 January 1976, certain principles according to which authority to take decisions under the Staff Regulations and Staff Rules would be delegated to other officials of the Organization. Detailed statements of the authority required to take decisions under each Staff Rule were subsequently issued in an administrative instruction (ST/AI/234), which has been the object of later revisions and amendments. As far as the Inspectors have been able to ascertain, the current valid versions are ST/AI/234/Rev.1, ST/AI/234/Rev.1/Amend.1, as amended by ST/AI/1999/1.

13. These documents, however, do not necessarily reflect the full present situation, since delegation of authority is also contained in other documents. Some of these, such as ST/AI/388 on UNDCP and ST/AI/401 on the Office of Internal Oversight Services (OIOS), are generally available. Others, such as the delegation to DESA and UNCTAD for the administration of the 200 series of the Staff Rules, and to the Department of Peace-keeping Operations in respect both of certain functions under the 100 series and all of the 300 series of the Staff Rules, are of more limited distribution, as evidenced by the Secretary General's note to the General Assembly (A/54/257).

14. The financial administration of the Organization is governed by Financial Regulations approved by the General Assembly, pursuant to which the Secretary-General promulgates Financial Rules. The overall responsibility for the policies with respect to the financial operations of the Organization is vested in the Controller, who is also responsible for the designation of the financial officers responsible for performing significant financial duties (Rule 111.1). The Financial Rules also reflect the respective responsibilities of the Under-Secretary-General for Management, the Controller, the Assistant Secretary-General for Human Resources Management and the Assistant Secretary-General for General Services in the administration of the Rules. In addition, they define the responsibilities of heads of departments or offices with regard, for instance, to the submission of programme budget proposals, and those of certifying and approving officers who exercise their functions under authority delegated to them by the Controller.

15. In general, the executive heads of United Nations funds and programmes have been granted the authority to appoint and administer their staff and manage their financial resources. They have, in turn, delegated authority to managers, often to a much larger extent than has been done in the Secretariat. It is particularly true of organizations such as the United Nations Development Programme (UNDP), the United Nations Children's Fund (UNICEF), the World Food Programme (WFP) and the United Nations High Commissioner for Refugees (UNHCR), which have extensive field operations and need to respond promptly to emergencies.

16. WFP, in particular, underwent in the 1990s an active process of decentralization and delegation of authority from headquarters to the field offices, with the creation of nine regional offices (clusters). The decentralization was accompanied by greater outposting of technical support staff in such areas as personnel, finance, public information, procurement and project/programme design. Country directors have been given the authority to approve programme activities and projects within the country programme as set by the Executive Board. As an example of this new authority, they may now approve emergency operations up to US$ 200,000 to cover the costs of food, transport, and non-food items for new emergency situations. New, decentralized human resources management responsibilities were also developed, which significantly increased the authority of field offices to design their staff profiles and select their non-core project staff and short-term personnel as well as consultants.[2]

17. UNHCR has also carried out, since 1995, a comprehensive project for the establishment of a new Operations Management System, which involves a great measure of delegation of authority, in the management of both financial and human resources, to managers at all levels in the field and at headquarters. Thus, offices outside headquarters have been delegated the full

administration and management of locally recruited staff, while many of them have also taken over responsibility for their own account processing and for retaining the supporting documentation. The head of each country office now receives one or several "Letters of Instructions" that also define the parameters of budgetary flexibility. Managers at headquarters and in the field now sign "Covenants" and "Accountability Agreements" with the Division of Resource Management outlining the scope and content of the authority delegated to them in the field of human resources or accounts processing, as well as their ensuing responsibilities.

18. UNICEF, for its part, has delegated authority for the approval and review of country programmes and budgets for country offices to its regional offices. Newly established programme and budget review committees approve, at the regional level, and within the overall resource envelope. the country programme management plan, including the country support budget, and submit it to headquarters for consolidation purposes only. [3]

III. REFORM OF THE SECRETARIAT AND DELEGATION OF AUTHORITY: STEPS TAKEN IN RECENT YEARS

19. While delegation of authority is already an integral part of the management and administration of the United Nations Secretariat and its programmes and funds, the novelty resides in the Secretary-General's proposal for additional delegation of authority as an essential element of the Secretariat's reform and of efforts to improve its performance and the efficient use of its resources. In his report on the reform of the United Nations, the Secretary-General noted that too often, the delivery of mandated programmes was hampered by excessive bureaucratic procedures and rules, with responsibility for management of resources in the hands of administrators who had no accountability for programme delivery.[4]

20. It is indeed true that, too often, personnel or finance services away from Headquarters complete and review part or the totality of a given routine administrative process, only to have this very same process reviewed and checked again at Headquarters before any action can be taken. This results in a duplication of administrative tasks and a waste of scarce resources. To remedy this weakness of the Organization, the Secretary-General undertook to take steps to delegate maximum authority, responsibility and full accountability to line managers for the management of human and financial resources.[5]

21. The Secretary-General elaborated further on these notions in his subsequent report on human resources management reform, drawing extensively on the suggestions and recommendations presented to him by a Task Force on Human Resources Management , which he constituted in January 1998. In this report, the Secretary-General described a new management culture, which would "empower managers to administer the full range of resources at their disposal", including staff, along with managing programmes, financial resources, information and change.[6] Programme and line managers, he stated, would have increased authority and responsibility for human resources management within clearly defined policies. They would be expected to communicate a clear sense of purpose and direction to their staff, to motivate them, build team spirit and trust, and to manage performance in order to achieve results. The Secretary-General again made his point forcefully when addressing the Fifth Committee at the 54th session of the General Assembly, stating that "managers must be able to manage".[7]

22. From the above, it is clear that the proposal to increase delegation of authority for the management of human and financial resources is motivated by a clear purpose, namely, to ensure a more rational and better use of the resources approved for the delivery of mandated programmes and activities, thus improving the quality and quantity of expected outputs.

23. What is advocated by the Secretary-General, therefore, is no longer the delegation of authority to managers for the sake of expediency that has always existed for a number of administrative procedures. Rather, it is a

complete change in mentalities and in the very concepts underlying the management of the Secretariat of the United Nations.

24. Member States gave a cautious initial welcome to this initiative. The General Assembly, in paragraph 6, section II, of resolution 51/226 of 25 April 1997 on human resources management, welcomed the intention of the Secretary-General to streamline administrative procedures and eliminate duplication, in relation to human resources management, through delegation of authority to programme managers. It requested him, however, "to ensure, before delegating such authority, that well-designed mechanisms of accountability, including the necessary internal monitoring and control procedures, as well as training, were put in place".

25. Generally, Member States have, since the issue was first brought to their attention, stressed the need for central control and have warned again and again that meaningful delegation cannot take place unless there is confidence that managers will be held to account. In fact, their interest in the issue of the establishment of a transparent and effective system of accountability and responsibility, formulated in General Assembly resolution 48/218 A, of 23 December 1993, which endorsed recommendations of the Committee for Programme and Coordination, preceded the Secretary-General's reform proposals.

26. Despite the far-reaching nature of the changes announced in the Secretary-General's report on reform (A/51/950), the measures actually taken in the Secretariat to put in place a new culture of management, characterized by increased delegation of authority and full accountability, do not yet appear very significant. The most prominent, or at least the most frequently quoted, were those contained in a 17 November 1998 memorandum from the Under-Secretary-General for Management to all heads of departments and offices, listing a number of measures characterized as "quick wins" in human resources management reform to be implemented as of 1 December 1998. Some of these "quick wins" were subsequently incorporated in instruction ST/AI/1999/1 with an effective date of 1 February 1999.

27. The issues outlined in the administrative instruction, for which individual departments or offices at Headquarters or away from Headquarters need no longer refer to OHRM, included the extension of fixed-term appointments, the granting of special leave as well as the approval of travel on home leave, repatriation grants and special post allowances. Not included in the instruction but mentioned in the memorandum were: the granting of a long-service step for General Service staff members, medical clearances for recruitment and reassignment of staff, approval of the first ten days of sick leave (previously delegated to departments at Headquarters and now extended to all offices away from Headquarters) and the annual review of dependency benefits.[8]

28. A pilot project was launched in October 1997 under which some degrees of authority in human resources management authority were delegated to the Executive Secretary of the Economic Commission for Latin America and the Caribbean (ECLAC). The most important element in the delegation was the authority for recruitment, placement and promotions to posts at the P-2 to P-4 level. Approval for such appointments or promotions was to be on the basis of unanimous recommendations of the programme managers and the appointment review bodies, and any contentious case was to be referred to of OHRM for a decision. Other areas of delegation included classification of General Service posts, agreed terminations and special post allowances. Initial plans to also delegate certain aspects of financial management were never implemented (except for the property write-off for Survey Board cases) in the light of the concerns expressed by the General Assembly about possible changes in budgetary practices and procedures.

29. In April 1999, a team from the Department of Management evaluated the progress on the pilot project as satisfactory and beneficial to both ECLAC and OHRM, and assessed that "it had no impact on budgetary practices and procedures". In particular, the team found that the process for filling posts under the pilot project was shorter than for posts approved at Headquarters. The team also concluded that the Executive Secretary had exercised his delegated authority in a prudent and appropriate

manner with due regard to the policies and guidelines issued with the project.[9] However, the Inspectors noted that the project had not led, as yet, to further delegation of authority to the subregional offices at Mexico City and Port of Spain, although this was included as part of the "reform of the ECLAC Management Scheme".[10]

30. The Secretary-General has launched other pilot projects, mainly in conference services at Headquarters and at UNOV. According to the information provided to the Advisory Committee on Administrative and Budgetary Questions (ACABQ) during the examination of the proposed programme budget for the biennium 2000-2001, these pilot projects "have been suspended, as programme managers concluded that they were unlikely to yield useful results".[11]

31. Special administrative arrangements delegating significant authority have been concluded for entities established in recent years, such as the United Nations Special Commission (UNSCOM) and the United Nations Compensation Commission (UNCC), and treaty organs including the Secretariat of the United Nations Framework Convention on Climate Change (UNFCCC) or the United Nations Secretariat of the Convention to Combat Desertification (UNCCD). The Inspectors have not gone into details as far as these special bodies are concerned, since they are particular cases not funded by the regular budget of the United Nations and they do not form part of the Secretariat.

IV. A MIXED SUCCESS

32. While it may be too early to undertake a thorough assessment of the initiatives described above, the Inspectors believe that some general points can already be made and important lessons drawn. They noted, in particular, that some of the "quick wins" heralded by the Administration had, in fact, already been discarded as impractical, or deferred. The implementation of the delegation to individual departments of annual review of dependency benefits, for instance, has been indefinitely postponed, as it was deemed that departments had neither the time nor the specialized knowledge required to undertake this review.

33. This may actually indicate persisting confusion as to the true nature of delegation of authority, as decentralizing measures, aimed at shifting clerical administrative tasks within the Secretariat from the Department of Management to field or functional offices, have been presented as delegation of authority. These tasks, in fact, should be carried out in a more cost-effective way by the common services units either at Headquarters or elsewhere.

34. Thus, the Inspectors have noted a certain level of dissatisfaction among substantive departments that this so-called "delegation of authority" has sometimes resulted merely in a "dumping of clerical tasks" without a concomitant shift of resources. Furthermore, some managers point out that the major tenet of effective delegation is the idea that authority must be delegated commensurate with the responsibility to be exacted. They are wary of being charged, under the cover of delegation of authority, with additional responsibilities, while lacking the actual authority needed to carry it out.

35. In other cases, managers have been assigned new responsibilities without the adequate tools or resources. This seems to be particularly true of executive offices in substantive departments at Headquarters. While the functions of the executive offices have been the object of a section of a Secretary-General's Bulletin, the description of these functions does not provide a very clear distribution of tasks between executive offices, on the one hand, and OHRM, the Office of Programme Planning, Budget and Accounts and the Office of Central Support Services, on the other.[12]

36. The prevailing confusion had been reported by OIOS in its fourth annual report. In the preface to the report, which admittedly was issued before some of the measures outlined above were announced, the Under-Secretary-General for Internal Oversight Services stated that

when he travels to other duty stations, he "still hears that administrators are not clear about the extent of authority delegated to them and what is being retained as a New York prerogative".[13] In the preface to the OIOS fifth annual report, the Under-Secretary-General reiterated his concern that "accountability continues to be blurred and misunderstood and that delegation of authority is yet to be effectively executed"[14]

37. Generally speaking, the Secretariat appeared to be engaging in this exercise for the delegation of authority on an ad hoc basis only and without a well-thought-out comprehensive strategy, which might lead to confusion and apparent contradictions. Some, in particular, have pointed to one such seeming contradiction in the goals stated in the Secretary-General's reform of decentralizing substantive decision-making and delegating authority, on the one hand, and expanding and strengthening common administrative services, on the other. Only recently was the point made, in a report by OIOS, that delegation of authority to programme managers and the decentralization of monitoring and policy functions to the United Nations offices at Geneva and Vienna were, in fact, crucial factors in enhancing the efficiency and timeliness of common support services.[15] However, a clear distinction has yet to be made between the new authority granted to programme managers and the heightened monitoring role entrusted to departments providing common support and administrative services away from Headquarters. Decision-making powers should be assigned in a more transparent manner to the former and the latter, with a view to avoiding possible conflicts.

38. Because of the very nature of the Organization and the administration of its human and financial resources, a number of administrative actions (such as recruitment, promotion or termination of staff, disciplinary proceedings, award of contracts, disposal of property, etc.) are subject to review by advisory bodies, whose advice must be considered prior to final decisions being taken. The Inspectors believe that a general reflection could be usefully engaged as to the most efficient, effective and timely manner to achieve the desired objectives. The reform of UNIDO described in chapter V.A (para. 52) may be considered as an interesting example in this regard.

39. In his report on human resources management reform, the Secretary-General had described the objectives of his vision for changes in staff administration as including the development of guidelines for the comprehensive delegation of authority to line managers (together with measures for follow-up and accountability), as well as a simplification of Staff Rules and a streamlining of administrative processes.[16]

40. Significant efforts have indeed been made in the last two years to simplify and update Staff Rules. A Task Team on Streamlining Rules and Procedures was established in the Secretariat, which met over several days in April of 1999 to conduct a systematic review of the Organization's personnel rules and procedures, with particular focus on those set out in multiple Secretary-General's Bulletins, Administrative Instructions, Information Circulars, Personnel Directives, or internal memoranda. The Team found that 30 to 40 per cent of the current Personnel Manual could be eliminated by abolishing obsolete issuances, and removing unnecessary material. It also recommended the review and consolidation of some 290 issuances to update the rules and eliminate overlaps and duplications. Following on the Team's recommendations, OHRM has committed itself to simplifying personnel rules and procedures and consolidating them into a shorter, user-friendly and electronically accessible Personnel Handbook by the end of the year 2000.[17] The Unit has been given assurances that work is being actively pursued in these respects, and that the target date for completion remains the end of 2000.

41. While reasonable progress, therefore, appears to have been achieved in realizing one of the objectives outlined by the Secretary-General, it is not clear yet what will be undertaken in concrete terms to develop the guidelines mentioned or the accountability framework supposed to underlie the process of delegation of authority. In his report on resources management dated 4 September 1998, the Secretary-General announced his intention to explore the possibility of establishing a Management Review Panel, which would have the responsibility for reviewing specific cases of non-compliance with delegated

authority, and would recommend to him appropriate sanctions to be imposed (A/53/342, para. 30).

42. While a final decision in this regard has not been promulgated in an administrative issuance, the Inspectors have learned, first, from an electronic communication addressed by the Assistant Secretary-General for Human Resources Management to the staff that an "Accountability Panel" under the chairmanship of the Deputy Secretary-General "is being established to follow up on Department of Management monitoring reports and recommendations of oversight bodies". Furthermore, the Secretary-General's report to the fifty-fifth session of the Genreral Assembly on "Accountability and responsibility" (A/55/270) states, in paragraph 41, that "in order to strengthen monitoring at the most senior level, an additional mechanism has been established in the form of the Accountability Panel . . .". The Inspectors urge that the establishment of the Accountability Panel should be fully and clearly promulgated and explained to the Secretariat staff through an appropriate administrative issuance.

43. Member States have expressed concern at this somewhat fragmented and haphazard approach to delegation of authority. In resolution 53/221, in particular, the General Assembly expressed in strong terms its concerns that delegation of authority in human resources management was proceeding too fast without the necessary buffers. While recognizing the need to promote responsibility and accountability of staff members at all levels, it called again on the Secretary-General to ensure that well-designed mechanisms of accountability, including the necessary internal monitoring and control procedures, as well as training, are put in place before managers are given additional authority in this field. The resolution also noted with concern that some administrative instructions on delegation of authority did not conform to the provisions of decisions of the General Assembly, and emphasized that any delegation should be in accordance with the Charter and regulations and rules of the Organization.

44. In its resolution A/54/249, paragraph 168, of 23 December 1999 on questions related to the proposed programme budget for the biennium 2000-2001, the General Assembly again requested the Office of Human Resources Management to "be more focused on the establishment of a proper system of accountability and responsibility as well as on the improvement of an effective system of administration of justice, as an integral part of the human resources management reform process."

45. These concerns have been mirrored by those of staff representatives, who fear that the Secretary-General has already advanced further than the present mechanisms for accountability allow and that the rights of staff under the regulations and rules may not be sufficiently protected against arbitrary decisions by managers. The Coordinating Committee for International Staff Unions and Associatons of the United Nations system (CCISUA), for instance, referring to ST/AI/1999/1 mentioned above, expressed its deep concern that additional delegation of authority in the administration of the staff rules had been implemented "without establishing adequate mechanisms of accountability and without staff-management consultations during the preparation of this administrative instruction".[18] It requested the Secretary-General to stop the implementation of the administrative instruction and defer any further delegation of authority until concrete and practicable mechanisms of accountability that would ensure the consistency, fairness and transparency of the decision-making process are in place.

46. The Staff Council at United Nations Headquarters had already voiced its "dismay and concern at the inadequacy of staff-management consultations" during the preparation and deliberation of this administrative instruction.[19] It also demanded that all actions concerning further delegation of authority to the programme managers be suspended until "such time that a transparent and verifiable system of accountability" had been established.

47. While the Inspectors welcome most of the measures announced through ST/AI/1999/1 as positive, if rather timid, steps in the right direction, they believe that communication efforts and consultations with the staff must be undertaken on a more systematic basis in order to ensure that they have a better understanding of

such measures and support them.

48. The Inspectors have taken note of the efforts made in this regard by OHRM (through, for instance, the publication of a bimonthly newsletter informing the staff of major policy decisions in human resources management) and by the Deputy Secretary-General, who has in the course of 1998 and 1999 held a series of "town-house meetings" at all major duty stations during which she tried at length to allay staff's concerns regarding delegation of authority.

49. The continued suspicions expressed by staff representatives, however, underline the need to pursue these information endeavours, and most of all, to develop a solid, comprehensive framework for accountability (see chapter V below). The Administration will, to the greatest extent possible, have to consider staff's views and suggestions and ensure that their rights are respected and boost their confidence. It needs to imporve the presentation of its case for delegation through a reasoned, persuasive, participative and systematic approach.

V. DEVELOPING A COMPREHENSIVE FRAMEWORK FOR DELEGATION OF AUTHORITY, EMPOWERMENT AND ACCOUNTABILITY

50. From their analysis of efforts undertaken in the United Nations and other organizations of the system, the Inspectors have drawn a number of lessons as to the prerequisites to a successful process of delegation of authority. They include:

- The adoption of a systematic approach for the identification of areas where delegation is possible;
- The establishment of a culture of clarity, transparency and communication;
- The necessity of providing managers with resources and tools to exercise the authority delegated to them, including adequate support functions; and
- The establishment of a framework of accountability, including appropriate monitoring procedures.

A. Adopting a systematic approach

51. Firstly, an overall plan of action will have to be developed by the Secretary-General, and a policy decision taken on which areas of responsibility require that administrative authority be retained centrally, and which permit authority to be delegated in the interest of a more efficient management system. The Inspectors believe, in particular, that such functions as major policy orientation, monitoring, and oversight fall in the first category. This strategy should be based on the following principles:

(*a*) Delegation of authority and accountability are a vertical chain. The Secretary-General delegates responsibility and authority to heads of departments and offices for delivering programmes, but this does not absolve him of ultimate accountability. They, in turn, remain accountable to the Secretary-General for the responsibilities assigned to them, even though they may delegate authority themselves. Delegation of authority and accountability are therefore integral to every job at every level. What individuals are accountable for may vary significantly at different levels within the Organization: the head of a department will be accountable for large amounts of funds and numbers of people, and major operational objectives; a supervisor may only be accountable for very few staff, and the delivery of very limited outputs. Nevertheless, they are both equally accountable for the timely, economical and effective delivery of their objectives, and for the stewardship of the resources at their disposal to accomplish them. Provided the vertical chain remains unbroken, delegation of authority can be implemented and accountability can be enforced because it can be traced through individuals down or up through the Secretariat. The more diffuse the lines of accountability are, the more difficult it is to delegate authority and to hold people to account. It therefore follows that the most effective accountability mechanisms are those that are integral to the line management structure;

(*b*) Delegated authority should align with organizational assignments of responsibility, so that those with the information, knowledge, and concern for responsible outcomes have the means to act accordingly.

(*c*) Delegation of authority and accountability must focus primarily on allowing people to perform, and on holding individuals personally to account. While there may exist a number of cases where authority is delegated "generically", i.e. to heads of departments or offices, responsibility and accountability for activities and tasks can only be aligned with individuals, not structures. As noted in para. 2 of the Secretary-General's report on "Accountability and responsibility" (A/55/270), ". . . the chain of responsibility, authority and accountability flows vertically *and personally* through the Organization from the Secretary-General to every manager and staff member". Thus, individuals have to discharge their duties not only according to their functional assignments but also to the expectations outlined in their work programme and those linked to the general duties of international civil servants. It should be noted in this context that delegated authority is not automatically "inherited" by staff members when taking over responsibilities from their predecessors. The Inspectors have observed cases in which financial authority was perceived as a sort of hereditary transition in the past, and they appreciate the corrective measures recently taken by the Controller in this regard. They also note, in paragraph 17 of the cited document, the Secretary-General's assurance that "if necessary, the level of authority can be reduced or the authority withdrawn altogether".

52. The Inspectors wish to point out the efforts of the Director General of UNIDO to develop a "Business Plan" enabling UNIDO to adapt its functions and priorities to the realities of the changing global economic environment while reforming its organizational structure. The new structure of UNIDO, aligned with the UNIDO overall strategy and objectives, has emanated from the "Business Plan" and has been based on:

- Redeployment of resources and professional staff;
- Appropriate delegation of authority and accountability mechanisms. For example, delegation of financial authority to field offices and delegation of financial authority for substantive activities are supported by a regulatory framework for financial authorization based on the principle of decentralized financial control in which the allotment holder is personally accountable;
- Decentralization of activities, formulation of key functions and responsibilities of field offices;
- Rationalization of committees with a view to terminating those whose mandates have expired or infringe on newly delegated authority.

53. The World Food Programme, for its part, embarked in the last decade on an extensive institutional and programmatic reform, which has already partially been described in chapter II of this report. It developed a "Mission Statement" together with a long-term financing strategy. The implementation of a broader delegation of authority to managers both at headquarters, and especially at the field level, was assigned as a strategic objective. As a result, a new human resources framework for the delegation of authority was put in place and was implemented with a chart that detailed all the delegations with reference to the appropriate FAO/WFP manual sections and FAO Staff Rules (under which WFP operates), as well as the names of the incumbents of the delegation. The Inspectors were informed that the delegation chart is undergoing further review to reflect the decentralization of the Regional Bureaux, the budgetary delegation for recruitment and the introduction of the new policies and procedures for the management of international staff at the professional and higher categories, following the creation of the new indefinite appointment.

54. While these approaches by WFP and UNIDO may not be entirely applicable to the United Nations, their holistic character could be regarded as a best practice. The Inspectors also recall the thorough and very well-argued document prepared by the Secretariat six years ago, which had already provided a comprehensive analysis of the prerequisites for, and components of, a transparent and effective system of accountability and responsibility.[20] In particular, the annex to that document (which in its essence is reprocduced in annex II to the Secretary-General´s report on "Accountability and responsibility" (A/55/270), illustrates very clearly the flow of interrelated actions linked to

the processes of assigning responsibilities, delegating authority and ensuring accountability. The 1994 report, as well as the examples provided above, highlight the need for the United Nations to develop an overall framework for performance monitoring and accountability at the individual and programme level, as requested by Member States more than six years ago. The Inspectors note from the 1994 and the most recent reports that the comprehensive system of accountability will not be restricted in its application to senior officials only but should, in fact, dictate the conduct of the entire staff. The Inspectors believe that steps taken in the following three areas could serve as the foundations on which such a framework could be solidly established.

(➔ Recommendation 1)

B. Establishing a culture of clarity, transparency and communication

55. As noted in chapter II of this report, delegation of authority flows from the Member States (Charter of the United Nations) to the General Assembly and the Secretary-General, who in turn delegates his authority to staff members within the Secretariat to fulfil his mandate. Therefore, the authority is based on a cascade of acts of delegation, which should all be systematically reviewed for clarity and for internal consistency with current United Nations regulations and rules, and with the policies set by the legislative bodies. Any inconsistency, contradiction, confusion or lacuna in the chain of delegated authority should be clarified.

56. It is evident that the guidance provided to the Secretary-General by the General Assembly should itself be clear and unambiguous, so as to avoid confusion in its interpretation by the Secretariat.

57. The Secretary-General delegates administrative and substantive authority to other officials through Secretary-General's Bulletins (ST/SGB series). Bulletin ST/SGB/1997/1, of 28 May 1997, entitled "Procedures for the promulgation of administrative issuances" clearly stipulates those matters which require the issuance of Secretary-General's Bulletins, and those which require administrative instructions (ST/AI series). The latter require approval by the Under-Secretary-General for Management or other specifically authorized officials. It is clearly stated therein that rules, policies or procedures intended for general application may only be established by duly promulgated Secretary-General's Bulletins and Administrative Instructions.

58. Among matters requiring the issuance of a Secretary-General's Bulletin are:

(*a*) Promulgation of rules for the implementation of regulations, resolutions and decisions adopted by the General Assembly, including:

(i) Promulgation of financial regulations and rules, and publication of consolidated texts thereof;

(ii) Promulgation of staff regulations and rules, and publication of consolidated texts thereof;

(iii) Promulgation of regulations and rules governing programme planning, the programme aspects of the budget, the monitoring of implementation and the methods of evaluation, and publication of consolidated texts thereof;

(*b*) Promulgation of regulations and rules, as required, for the implementation of resolutions and decisions adopted by the Security Council;

(*c*) Organization of the Secretariat.

59. Administrative instructions, on the other hand, are meant to prescribe instructions and procedures for the implementation of the Financial Regulations and Rules, Staff Regulations and Rules or Secretary-General's Bulletins. A lower level of administrative issuances, information circulars, are issued under the authority of ST/SGB/1997/2, for the purpose of conveying general information on, or explanations of, established rules, policies and

procedures, as well as isolated announcements of one-time or temporary interest. They are not, however, to be used for promulgating new rules, policies or procedures.

60. These clear policies for the promulgation of administrative issuances are not always observed. Recognizing that the difficult task of reviewing and "streamlining" old (prior to June 1997) issuances is a time-consuming process that is still continuing, the Inspectors have observed instances of circulars issued after June 1997, which do not conform to the prescribed requirements, or where binding procedures were announced through other than the prescribed means.

61. Steps must be taken to further clarify the rules, and all administrative issuances, which guide managers daily in the administration of human and financial resources entrusted to them. The complex drafting of the final provisions of ST/AI/1999/1, which refer to documents not generally available and the interpretation of which requires additional research by the user, illustrates the need for the Secretariat to issue simple and straight forward instructions. Current efforts to streamline procedures described in chapter IV must therefore be accelerated and, if need be, the Secretariat should propose to the General Assembly appropriate revisions to the Regulations.

(➞ Recommendations 2 and 3)

62. As regards the Financial Rules, the current version is contained in document ST/SGB/Financial Rules/1/Rev. 3 (1985) and in an amendment thereto (ST/SGB/1998/15), issued on 30 September 1998, which relates to a rule dealing with the Property Survey Board. The Inspectors have noted a number of inconsistencies and even contradictions in the contents of the Rules, and between some of the Rules and another Secretary-General's Bulletin.

63. Specifically, under the Financial Rules, a number of responsibilities are delegated directly to the Controller, for instance, in the areas of requests for remittal of contributions and advances by Member States and non-member States (rules 105.6 and 105.8), and the receipt, custody and investment of funds, including investments of the United Nations Joint Staff Pension Fund (UNJSPF). (Rules 109.1 and 109.2). At the same time, in document ST/SGB/1997/11, on the organization of the Department of Management, responsibility for contributions from Member States, receipt and custody of funds and "increasing the earnings potential of funds under management" is vested on officials directly responsible to the Under-Secretary-General for Management. UNJSPF investments, although not referred to in the cited SGB, are handled by an Investments Management Service directly responsible to the Under-Secretary-General for Management.

64. Other discrepancies have been noted. For example, by its decision 50/472 of 23 December 1995, the General Assembly decided to amend Financial Regulations 2.1 and 11.4, related to the budget cycle of peace-keeping operations. Neither the revised text of the Regulations, nor the expected revision of rule 111.4, announced in paragraph 3 of the report of the Secretary-General on this issue (A/50/787), has been promulgated, as is required, in a Secretary-General's Bulletin.

65. The same situation prevails with regard to the amendments approved by the General Assembly in its resolution 52/212 B, of 31 March 1998, related to the "Additional terms of reference governing the audit of the United Nations", which are an integral part of the Financial Regulations. In this connection, it is to be noted that in the same resolution, the General Assembly also endorsed, with certain provisions, the recommendations of the Board of Auditors (A/52/753, annex, paras. 6 and 7) related to the disclosure of office holders to be held accountable for the implementation of recommendations made by the Board, and with the issue of sanctions to be invoked in the event that failure to implement the recommendation is attributable to the negligence and mismanagement of the responsible officer(s). This resolution of the General Assembly is at the heart of the issues of delegation/accountability, and its contents should be generally known to the staff of the Secretariat, through appropriate administrative issuances, and in particular to department heads/programme managers, who are directly affected.

66. The Inspectors cannot but voice their concern over the laxity and lack of clarity and transparency which have existed in respect of the formulation of administrative issuances and in the implementation of policies, as noted above. The current version of the Financial Rules dates back to 1985 and has not been revised to reflect changes in policies and practices that have occurred since then. Despite the assurance contained in the report of the Secretary-General of 5 August 1994 (A/C.5/49/1, para. 24) to the effect that a review of the Financial Regulations and Rules was then being undertaken with a view to the submission to the General Assembly, for consideration at its fiftieth session, of a revised text, this has not yet occurred. The Inspectors note the renewed assurances provided in the Secretary-General's report on "Accountability and responsibility" (A/55/270, para. 9), that "a review of the financial regulations and rules is under way".

67. It seems imperative, in order to create a climate of administrative discipline and order, that basic documents, which in fact guide the functioning of the Secretariat, should be clear, unambiguous and current. Permitting departures from the basic texts - as well intentioned as they may be - without promulgating appropriate revisions, creates a climate of laxity and disrespect for the rules, which could have serious repercussions.

68. Similarly, it is imperative to respect the procedures for the promulgation of administrative issuances (ST/SGB/1997/1) so as to ensure not only clarity in the formulation of the procedures and instructions, but also avoidance of contradictions between different such issuances. In this regard, matters of a binding administrative nature should be promulgated exclusively through prescribed means, namely, Secretary-General's Bulletins or Administrative Instructions. Modifications to or cancellation of administrative issuances should only be promulgated by another administrative issuance of the same or higher rank.

(➞ Recommendation 4)

69. Practice has shown, however, that the functioning of delegation of authority, and of a transparent and effective system of accountability, involves more than revising regulations, rules and procedures and decreeing a shift in decision-making powers. An important element in the development of the system is the ongoing promotion of a new culture of trust and communication. The attributes of this new culture can be defined as follows:

- Emphasis on people: people should be challenged, and encouraged. They should be given the possibility to act and to use their judgement. It should be understood that better performance is a product of people who care rather than systems that constrain;
- Leadership should not be authoritarian or coercive but participative to the extent possible.;
- Strong output orientation as opposed to process or procedures orientation.[21]

70. The significance of this culture is that it recognizes that responsibility, authority and the obligation and readiness to answer for one's actions are interactive and inextricably linked; and that it is the effective interrelationship of these elements that will drive the Organization to achieve management excellence. To achieve this goal, attitudes and well-entrenched bureaucratic habits need to be changed through leadership and training. Negative or punitive connotations often associated with the terms of authority and accountability should be avoided and emphasis placed instead on the positive aspects of delegation and responsibility including in terms of career development and empowerment.

(➞ Recommendation 5)

71. A number of organizations have made attempts to foster such a new culture. The above mentioned "business plan on the future role and functions of UNIDO" was supported by a new staff career development system. The Administrator of UNDP, for his part, released a "UNDP 2001 Compact" whose purpose is to set out the goals of the Bureau for Planning and Resource Management. The innovation consists in defining detailed objectives aligned with UNDP strategic goals. The "UNDP 2001 Compact" identifies indicators of success for each

objective with relevant benchmarks. The objectives will then be incorporated into individual annual unit work plans, becoming part of individual performance plans. Thus, each individual can understand better his/her own contribution to the overall mandate of the organization. UNHCR in its broad change initiatives has introduced "Accountability Agreements", the purpose of which is to outline the prerequisites and clarify the roles and responsibilities of all concerned parties pursuant to the delegation of financial authority.

72. In the case of UNHCR, a "Covenant" was signed to establish the roles and responsibilities of all concerned parties once human resources management authority has been delegated to line management. As an integral part of this "Covenant", the UNHCR Division of Resources Management undertakes to provide:

- Human resources management training for UNHCR Representatives to focus on what the implications of delegated human resources authority are for them as managers;
- Functional human resources training for the administrative staff who will perform the delegated function;
- A comprehensive Personnel Manual covering all the delegated human resources authority.

73. Similar investments in training will be needed in the United Nations to ensure that staff at all levels have the required skills, as empowerment through delegation of authority does not come naturally. In fact, for many people, it is easier to manage or work in a tightly controlled environment than in one that gives staff, especially managers, a certain degree of freedom.

74. The Inspectors have noted the efforts undertaken by the Secretariat of the United Nations over the past few years to train supervisors in "peoples' management" and staff and managers alike in conflict-resolution techniques. Details of specific programmes for training supervisors and managers are described in paragraphs 20-22 of the Secretary-General's report on "Accountability and responsibility" (A/55/270). The Unit is also aware that, as part of efforts to change the organizational culture and build human resources capacity, the United Nations has undertaken a participatory process to define organizational core values and core and managerial competencies and that staff development programmes are being realigned, and new programmes developed, to strengthen and build these competencies. The Inspectors believe it is important that these efforts should be pursued and complemented by programmes aimed at better informing staff of their rights and obligations. Such programmes should be an integral part of any induction syllabus. Also, increased attention is to be given to managerial skills in the recruitment process. These investments in training will entail costs for which the Organization should budget.

C. Empowering and monitoring managers

75. The Inspectors agree with the premise that what can be delegated should be delegated. However, the authority delegated must be very clearly defined, as in a contract, and may require a special letter or document, assigning formal authority and responsibilities to specific staff members. There must be absolute clarity about roles and responsibilities to prevent continued confusion about responsibilities.

76. This is especially important, as the Secretariat is undergoing important transformations. Staff members should know without ambiguity what needs to be done and what is expected of them. Each delegation order must at a minimum include the following:

(*a*) Citation of the original source of authority;
(*b*) Description of the authority to be delegated with clear and consistent objectives;
(*c*) Any limitation imposed, including any limitation on sub-delegation;
(*d*) Citation of any previous delegations which are to be revised or rescinded, if appropriate;
(*e*) the date on which the delegation is to become effective and statement of the duration of the delegation;

(f) the details of the reporting duties which go together with delegation of authority so as to permit proper monitoring (volume, frequency of reporting and other details, in particular in relations between the field and headquarters).

77. All instruments of delegation should be reviewed for clarity, for internal consistency with current United Nations policies, regulations and rules, and especially for the possibility of further delegation. It is understood that all authority which is delegated is subject to modification and/or withdrawal.

(➔ Recommendation 6)

78. Generally speaking, the successful implementation of delegation of authority to managers will depend to a large extent on the efficiency of the support functions (financial and human resources management, procurement, building management, information technology, etc.) provided to them either under their direct supervision or by "common" services in locations where more than one substantive unit exists. The provision of efficient support in terms of administrative services will assist the empowered managers to exercise their authority in order to deliver the work plans and manage their units. At the same time, they must be able to obtain, as required, additional guidance as to correct implementation and interpretation of financial, staff and programme planning regulations, rules and administrative instructions. The Inspectors feel that the establishment in the Office of Human Resources Management of a type of "help-desk" function devoted to providing such guidance would go a long way towards reinforcing managerial competencies and accountability. Similar advisory functions should be provided to assist managers in discharging their newly delegated financial responsibilities. In this regard, the Inspectors wish to highlight as a good practice that of UNHCR in creating Senior Resource Manager positions to provide such assistance.

79. It could be argued that a fair delegation of authority to programme managers would place related decision-making with those who are responsible for implementing mandated work programmes, and would minimize time-consuming bureaucratic processes. This objective is achievable to the extent that managers are thoroughly familiar with pertinent Organization-wide policies as defined by the General Assembly. Alternatively, they need to have access to such expertise through their own or "common" administrative support services, together with the guidance to be provided by the central administrative services.

(➔ Recommendation 7)

80. Indeed, as pointed out by the WFP Executive Director, as management accountability increases, the role of the support functions is bound to change from one which is control-oriented, to that of helping managers to manage. This is particularly important in the case of the United Nations Secretariat, with its major offices away from Headquarters, where common administrative services to substantive units are provided to differing degrees by a "central" (at each location) unit. Efforts are required to attain a change in mentality so that those providing administrative services do not confuse their support role with that of decision-making, which is a function that should be exercised by the substantive head of office.

81. Managers, whether at Headquarters or in the field, must have constant and immediate access to relevant information. The development of IMIS should be very useful in this regard, once current limitations and difficulties are overcome. The implementation of IMIS has certainly resulted in improved access to information and increased accuracy in administrative processing. However, many offices have complained that the poor behaviour of the system, its lengthy time of response, its limited capacity to provide workload statistics as a basis for performance indicators, and delays in the completion of its various phases have so far not allowed the efficiency savings initially expected from its implementation to occur. Furthermore, the Inspectors believe that full advantage has not yet been drawn by the Secretariat from the opportunities offered by the Intranet to make general information widely accessible in a user-friendly format.
(➔ Recommendation 8)

82. With reference to the issue of monitoring, as has been noted in paragraphs 24, 43 and 44, the General Assembly has been consistently preoccupied, when dealing with issues of delegation of authority, with the need to ensure central control for overall policies determined by it with regard both to financial and human resources issues. It is imperative that the central units retain an ongoing monitoring capability, through which they may gauge progress and detect possible deficiencies. The degree of monitoring and the related reporting obligations should be commensurate with the degree of delegated authority.

83. Such monitoring capacity is conditional on the availability of adequate information technologies and systems, as well as the cooperation of the pertinent oversight mechanisms. As the Consultative Committe on Administrative Questions (CCAQ) has noted in its Web page on enhanced financial procedures, accounting processes are being made more efficient through the development of automated systems, incorporating validation processes to minimize input errors. Improved integrated management information systems provide more timely and accurate cost information and more accurate details of available funds, so that unintentional spending beyond budgetary allotments is avoided. Managers also have greater authority to redeploy resources and to be more responsive to changing requirements while staying within overall budgetary limits.

84. Similarly, information technology should facilitate regular reporting on pertinent human resources actions so as to guarantee OHRM the possibility of exercising regular monitoring of actions for which it has overall policy responsibility.

(➞ Recommendation 9)

D. Measuring performances and drawing the consequences

85. The third basic element of the accountability framework will be the ability of the Organization to actually measure the performance of officials to whom authority is delegated, and the extent to which it acts on these findings. The performance appraisal system (PAS) introduced in 1995 is an important step in this regard. The strengthening of enforcement mechanisms, including the increased use of disciplinary action against individuals engaged in wrongful activities, if it is accompanied by improvements in the administration of justice, will also serve to underlie any accountability system which the Secretariat may put forward.

86. Mechanisms are yet to be put in place, however, to distinguish between deliberate and accidental failure, i.e. between:

- Failure due to corruption, dishonesty and dereliction of duty, which needs to be dealt with by disciplinary sanctions; and
- Failure due to poor judgement, ignorance or inexperience, which should be dealt with by remedies such as training or, as the last resort, transfer to other posts.

87. For the former, there would appear to exist a sufficient body of regulations and rules intended to constrain improper behaviour, such as Staff Rule 112.3 ("Any staff member may be required to reimburse the United Nations either partially or in full for any financial loss suffered by the United Nations as a result of the staff member's negligence or of his or her having violated any regulation, rule or administrative instruction.") and Financial Rule 114.1 (". . . Any official who takes any action contrary to these Financial Rules or to the administrative instructions issued in connection therewith, may be held personallyangel responsible and financially liable for the consequences of such action"). Evidently, in addition to the above-cited rules, any staff member whose failure is due to corruption, dishonesty and dereliction of duty, would be subject to the provisions of chapter X of the Staff Regulations and Rules.

88. This is particularly important in the case of the conduct of programme managers, as witnessed by the request addressed to the Secretary-General by the General Assembly in its resolution 51/226, section II, paragraph 3, to "Issue specific administrative instructions to establish clearly the responsibility and accountability of programme managers for proper use of human resources, as well as sanctions in

accordance with Staff Rule 112.3 for any financial loss suffered by the United Nations as a result of gross negligence, including improper motivation, wilful violation of or reckless disregard for the Staff Regulations and Rules and established policies regulating recruitment, placement and promotion".

89. The Inspectors have taken note of the reports of the Secretary-General contained in documents A/53/849 and A/54/793 on management irregularities causing financial losses to the United Nations. In their view, these reports are preliminary steps to comply with the request made by the General Assembly mentioned above and urge that it should be fully implemented.

90. As regards cases arising from poor judgement or inexperience, there would appear to be a need for the Secretariat to institute mechanisms such as training specifically geared to deal with each case (as opposed to general training courses available to staff at large, on a voluntary basis). Ultimately, such cases may reflect failings in the placement policies of the Secretariat through the assignment of staff to posts for which they may not be fully qualified or suited. They should be addressed through a more rigorous and vigilant recruitment/placement system.

91. Thus, a comprehensive system of accountability must be based on the following principles:

- The establishment of a climate of **clarity** and **transparency** in the promulgation of instructions (administrative issuances) and **communication** at all levels of the Secretariat, and particularly between managers and subordinates;
- The provision to managers of all the necessary support, information and guidance for the functions which they are to perform, including those relevant to their relations with subordinates, and for the resolution of possible discrepancies; and
- The existence of adequate mechanisms for the evaluation of the performance of officials to whom authority is delegated and the strengthening of enforcement mechanisms to deal with cases of failure.

(➔ Recommendation 10)

92. The Inspectors would not wish to conclude this report without referring to the serious concerns of the staff, as expressed through the recognized representative bodies (see paragraphs 45 and 46 above) that, in the absence of a proper system of accountability, the rights of staff under the regulations and rules may not be sufficiently protected against arbitrary decisions by managers. It is recommended that the Administration should consider, to the greatest extent possible, the staff's views and suggestions, ensuring that their rights are respected and that consultations with staff representatives are undertaken in the context of the improved system of communication.

(➔ Recommendation 11)

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93. In summary, it can be stated that in terms of its administration, the United Nations could only have functioned since its inception through the application of delegation of authority. The Secretary-General, in attempting to bring to the Secretariat the features of a modernized management culture, has made considerable efforts to increase the use of delegation of authority. This process has received an initial general welcome by the Member States, but has also been the object of expressions of concern with respect to many of its specific details, notably with regard to the need for central control. The Inspectors believe that the process should proceed but, to keep it on the right track, a number of prerequisites and benchmarks, as outlined in this report, need to be strictly adhered to.

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NOTES

1. A/9841 of 4 November 1974, para. 61.

2. WFP/EB.1/99/3-B of 9 December 1998. Organizational change at WFP: a status report.

3. A/53/226/Add.1 of 13 August 1998, para. 59.

4. A/51/950, of 14 July 1997. Renewing the United Nations: a programme for reform, report of the Secretary-General, chapter VI, section B, strategy 3.

5. Ibid., action 23.

6. A/53/414 of 13 October 1998, para. 10. Human Resources Management Reform.

7. Secretary-General's statement to the Fifth Committee, 5 October 1999, press release GA/AB/3311.

8. Memorandum dated 17 November 1998 from Mr. Joseph Connor, Under-Secretary-General for Management, to all heads of departments and offices, entitled: "Quick wins in human resources management reform".

9. A/53/947 of 10 May 1999.

10. LC/G.2011(SES.27/7) of 31 March 1998, chapter II A. "Reform of the ECLAC Management Scheme: Delegation of Authority and Accountability".

11. A/54/7, para. 124.

12. ST/SGB/1997/5 of 12 September 1997. Organization of the Secretariat of the United Nations.

13. A/53/428 of 23 September 1998.

14. A/54/393 of 23 September 1999.

15. A/54/157 of 30 June 1999, para. 15, Review of Common Services in the United Nations.

16. A/53/414, para. 26, 13 October 1998, Human Resources Management Reform.

17. Report to the Assistant Secretary-General for Human Resources Management of the Task Team on Streamlining Rules and Procedures, 28 April 1999, and OHRM Human Resources Management Highlights, No. 6, May/June 1999.

18. Resolution of 31 March 1999 adopted by the XIV CCISUA Assembly.

19. UN Staff Report, volume 24, No. 20, page 6.

20. A/C.5/49/1 of 5 August 1994.

21. "Performance auditing and the modernization of government", OECD report, Public Management Unit, Paris, 1998.